



## ***AOT in Action***

### **TOURISM WORKS FOR ARIZONA!**

Welcome to AOT in Action, your weekly e-newsletter from the Arizona Office of Tourism (AOT).

#### **A Message from the Director:**

Good morning.

Last week we wrapped up an incredible Governor's Conference on Tourism. Thank you to all of those who were able to join us at the Westin La Paloma Resort and Spa in Tucson!

Nearly 600 tourism professionals attended the event, which was great opportunity to network with so many of our colleagues and learn about the latest trends in the tourism industry. We had positive feedback about the breakout sessions and know that many of you left the conference with valuable information to use.

I also want to congratulate the winners of both the STARS awards during the STARS gala on Wednesday night and the Governor's Tourism Award winners on Thursday afternoon. The winners deserved the recognition for all their hard work and dedication to the tourism industry.

I especially want to thank our conference partners, Debbie Johnson of the Arizona Hotel and Lodging Association, Steve Chucuri of the Arizona Restaurant Association, and Greg Gilstrap of the Arizona Tourism Alliance for the tremendous work they did on the conference.

For those of you who were unable to attend this year's event, we have a few of the major announcements below in the *AOT News Flash* section of the newsletter. Also, you will be able to access many of the presentations from the Governor's Conference at [www.aztourismconference.com](http://www.aztourismconference.com). The presentations will be placed under the "register" tab, and then under "sessions."

Have a great week.



Margie A. Emmermann  
Director  
Arizona Office of Tourism

## AOT News Flash

### Arizona Tourism Has Another Record-Setting Year for Visitation and Spending

The Arizona Office of Tourism Director, Margie A. Emmermann, announced at the Governor's Conference on Tourism that the Arizona's tourism industry experienced another record-setting year for visitation and spending numbers. In 2007, Arizona hosted 35.2 million visitors, including 33.2 million domestic and 2 million international travelers. This combined visitation equates to a net increase of 4.4 percent or 1.5 million visitors over 2006. In 2007, Arizona's visitor spending brought in \$19.3 billion in direct travel expenditures, a 3.2 percent increase over 2006. While the 2007 visitation numbers are one way to measure success in Arizona tourism, the record \$19.3 billion in direct travel spending shows that Arizona's travel industry continues to bring prosperity to every county by providing jobs, earnings and taxes, according to the *Arizona Travel Impacts* study released by the Arizona Office of Tourism. Travel spending in Arizona has been on the upswing since 2002. This spending generated 171,500 direct jobs, \$5.1 billion in earnings and \$2.7 billion in state, local and federal tax revenue.

A full copy of the *Arizona Travel Impacts* study and link to an interactive tool that will allow users to generate graphs specific to their needs can be found in the "Research & Statistics" section of [www.azot.gov](http://www.azot.gov).

### Tourism Professionals Honor Leaders in Industry

Arizona tourism professionals recognized and honored industry leaders at the Governor's Conference on Tourism, last week. Arizona Office of Tourism Director Margie A. Emmermann and Deputy Director Kelly Paisley presented the awards during the Governor's Awards Luncheon at the Westin La Paloma Resort & Spa in Tucson with nearly 600 tourism industry members from both the private and public sector in attendance. The conference, held July 9 – 11, was sponsored by AOT, the Arizona Tourism Alliance, the Arizona Hotel & Lodging Association and the Arizona Restaurant & Hospitality Association.

Awards were presented in the following categories: Innovative Promotions, Cooperative Marketing, Special Events (Rural and Urban) and Arizona Preservation. AOT also honored individual achievements in the categories of Tourism Champion of the Year, Tourism Hall of Fame, Spirit of Service and Lifetime Achievement. Fifty-one nominations were submitted for the nine award categories. Winners were selected on general evaluation of qualifications such as exceptional efforts, innovation, uniqueness and measurable results. The judging committee was comprised of a selection of tourism industry representatives from around the state and AOT staff.

Winners are listed below:

- Innovative Promotions – **Arizona's Salsa Trial**

- Cooperative Marketing – **Lake Havasu Convention and Visitors Bureau**
- Arizona Preservation – **Honanki Ruins Site Host Program**
- Special Events – Rural – **The Magic of Christmas in Williams**
- Special Events – Urban – **Scottsdale Arabian Horse Show**
- Spirit of Service – **James Hardy, Flagstaff Convention and Visitors Bureau**
- Tourism Champion of the Year – **Jonathan Walker, Metropolitan Tucson Convention and Visitors Bureau**
- Tourism Hall of Fame – **Dolly Kennedy, Dolly Steamboats**
- Lifetime Achievement Award – **Raymond Endfield, White Mountain Apache Tribe**

The complete list of past winners is posted at [www.azot.gov](http://www.azot.gov).

### **Teamwork for Effective Arizona Marketing (TEAM) Awards Announced**

Governor Janet Napolitano announced that the Arizona Office of Tourism is awarding \$1.1 million in matching grants to tourism organizations and tribal entities across the state for fiscal year 2009. AOT Director Margie A. Emmermann joined Governor Napolitano in recognizing the recipients of AOT's Teamwork for Effective Arizona Marketing (TEAM) grants, a program that enables communities and organizations throughout Arizona to promote their tourism offerings. TEAM grants fund advertising, public relations campaigns, research, strategic planning and other tourism-related marketing. The grants are awarded to communities, regional tourism partnerships, tribal entities and statewide associations that meet the program requirements and are able to match the requested funds. Fifty communities, including seven Native American organizations, will receive grant awards, which range from \$899 to \$87,437. For more information on TEAM and other grants, please visit the Grants section of [www.azot.gov](http://www.azot.gov).

### **Arizona Office of Tourism Announces New Representation Firm for German Speaking Countries**

The marketing and public relations firm Kaus Media Services was awarded the contract to fulfill the travel marketing for AOT in the German-speaking markets. With the appointment of the new agency, the Grand Canyon State seeks to strengthen its position as one of the premier travel destinations in the U.S. and wants to gain a larger market share in the important source markets of Germany, Austria and Switzerland. In this regard, the state wants to continuously increase the number of travelers from the German speaking countries to Arizona in the next few years through a targeted marketing and public relations campaign. Kaus Media Services has served as Arizona's public relations agency in Germany, Austria and Switzerland, since 2006. The contract began July 1, 2008.

### **AOT Appoints Hills Balfour Synergy for UK Sales and Marketing Representation**

AOT has awarded Hills Balfour Synergy the UK sales and marketing representation contract just one year after winning the agency's public relations contract in July 2007. Increasing visitation numbers and length of stay will be the key factors behind Hills Balfour Synergy's campaign. In addition, the agency will provide a strong focus on building awareness of Arizona's unique product offerings, including diverse Native American culture, historic Cowboy traditions and world class golf – with more than 300 courses across the state. While promoting the renowned Grand Canyon, further attention will be directed to driving tours which range from the Route 66 "Mother Road" to outdoor recreation activities including hiking, skiing and rafting. The contract began July 1, 2008. UK tourism partners and media will be able to work with Hills Balfour Synergy for all of their Arizona needs throughout the Grand Canyon State.

## **Trippin' with AOT**

### **Register Now for the 11<sup>th</sup> Annual Arizona Showcase in Hermosillo**

The Arizona Office of Tourism will hold the 11<sup>th</sup> Annual Arizona Showcase October 2, 2008 in Hermosillo, Sonora, Mexico. This event promotes fall and holiday shopping, attractions and accommodations throughout the State. The highlight of the event will be a charity fashion show with local models - specifically targeting high income families and individuals with a strong propensity to travel. The cost to participate varies from \$900 - \$2,500 depending on type of supplier and level of participation, plus travel expenses. The deadline to participate is September 1, 2008. Early booking discounts may apply. Please contact Kristy Swanson at [kswanson@azot.gov](mailto:kswanson@azot.gov) or 602-364-3696.

### **AOT on the Road in the UK – Sales Mission**

AOT will carry out a week-long sales mission to the UK September 22 – 26, 2008. The week-long mission will potentially target four cities in England and Scotland. The mission will be made up of product meetings and/or destination trainings at the offices and call centers of key tour operators. The proposed cities are: London, Manchester, Glasgow and Newcastle. The purpose of the mission is to further increase Arizona awareness and help maintain a strong presence in this important and competitive market. The cost to participate is \$1,500. Please contact Loretta Belonio for further information at [lbelonio@azot.gov](mailto:lbelonio@azot.gov) or 602-364-3725.

### **World Travel Market 2008 – Trade Show Opportunity**

The Arizona Office of Tourism invites you to participate in World Travel Market 2008 in London, England from November 10 – 13, 2008. WTM is the premier, global event for the travel industry as well as the largest travel trade show in the United Kingdom. AOT's attendance at the show is extremely important because it raises Arizona awareness with travel industry and media professionals, generates sales leads and maintains status as a key player in the tourism industry. In 2007, there were 48,111 travel industry professionals and media in attendance. The cost to participate is \$2,500 US for the primary delegate and \$1,000 US for the second delegate. Please contact Loretta Belonio for further information at [lbelonio@azot.gov](mailto:lbelonio@azot.gov) or 602-364-3725.

## **Industry News**

### **Southwest Plans First International Service**

With a new deal with Canada's WestJet, Southwest Airlines is planning its first international service. Southwest said it has taken the first step toward striking a so-called code-sharing agreement and planned to announce schedules and other features of the WestJet partnership by late next year. The agreement is subject to review by US and Canadian regulators. The proposed program will use a code-sharing agreement. Southwest Chairman and Chief Executive Gary Kelly has often talked about offering service to nearby international destinations using a partner airline. "We are confident that we've found a perfect fit with WestJet, and we are excited to work toward opening our expansive US network to include Canadian destinations," he said in a statement. The two airlines have similar histories, pointed out the AP. Southwest started in the 1970s ferrying passengers around Texas on three planes. It later expanded to both coasts and now serves 64 cities with about 3,400 daily flights and 34,000 employees. Dallas-based Southwest has never offered international flights, and a code-sharing service to Hawaii ended when partner ATA Airlines failed. WestJet was created as a regional carrier serving five cities in western Canada and has expanded to 49 locations in Canada, the United States, Mexico, and the Caribbean. Like

Southwest, it uses Boeing 737 aircraft. WestJet CEO Sean Durfy called the Southwest deal "a defining moment for WestJet." He said an agreement would significantly improve the reach of both airlines. It should also generate new revenues for each participant. *(Report by David Wilkening, TravelMole e-Newsletter)*

### **Study Examines Fallout for Hotels from Airline Cuts**

Airline capacity cuts have the potential to reduce hotel demand even more than the post-Sept. 11 drop, although effects would vary largely by hotel markets and tiers, according to PKF Hospitality Research data released Wednesday. The research indicated that a 1 percent drop in airline capacity could, at worst, cause a 0.39 percent decline in U.S. hotel demand. "If airline capacity is reduced by 10 percent as some have suggested, then lodging demand would fall off 3.9 percent, said PKF President Mark Woodworth in a statement. "To put this in perspective, the decline in lodging demand experienced in 2001 was just 3.3 percent. A demand of that magnitude would be the equivalent of 40 million room nights and \$4.3 billion in revenue, according to PKF.

Such cities as Miami Orlando, Phoenix and Denver that either have a high reliance on leisure travel or are not close to other major metropolitan areas would face the largest demand drops. Cities more accessible by car or train, including most of the major cities on the East and West coasts, would be less affected. ([www.BusinessTravelNews.com](http://www.BusinessTravelNews.com), 7/9; [www.TravelWeekly.com](http://www.TravelWeekly.com), 7/9; [www.PRNewswire.com](http://www.PRNewswire.com), 7/9)

### **NTA, Industry Groups Band Together on Packaged Travel**

The National Tour Association and seven travel organizations are banding together to discuss ways to leverage the collective voice for packaged travel to address government, economic, airline and environmental issues. The associations established five areas for collaborative work in the future, including government relations, research, airline issues, sustainable travel and promoting the use of professional travel providers.

Involved in the first meeting of the coalition were the American Bus Association, ASTA, NTA, the Ontario Motor Coach Association and Motor Coach Canada, the Receptive Services Association of America, the Student and Youth Travel Association and the Travel Industry Association. The Travel Industry Association of Canada, the United Motorcoach Association and the USTOA also have committed to be a part of the coalition. ([www.TravelTrade.com](http://www.TravelTrade.com), 7/9; [www.TravelAgentCentral.com](http://www.TravelAgentCentral.com), 7/9; *Special to TA*)